REMARKS

Applicants request favorable reconsideration and withdrawal of the rejections set forth in the above-noted Office Action in view of the foregoing amendments and following remarks.

Claims 1-4 and 7-16 remain pending, with claims 1 and 4 being independent. Claims 1 and 4 have been amended herein. Support for the amendments can be found throughout the originally-filed disclosure, including, for example, in the specification at paragraph 0019, which describes integrating one transaction system with loyalty programs, and paragraph 0043, which describes transferring points from or otherwise linking to another loyalty point account in a different system. Thus, Applicants submit that the amendments do not include new matter.

Claims 1-4 and 7-16 are rejected in the Office Action under 35 U.S.C. § 102(e) as being unpatentable over <u>Fredregill</u> (U.S. Patent Application Pub. No. 2005/0144074). Claims 9-16 are also rejected under 35 U.S.C. § 103(a) as being unpatentable over <u>Fredregill</u>.

Applicants respectfully traverse the rejections. Nevertheless, without conceding the propriety of the rejections and solely to expedite prosecution, Applicants have amended independent claims 1 and 4 so as to clarify certain features of the invention not suggested by Fredregill. To this end, Applicants submit that the claimed invention is patentably distinguishable from Fredregill for at least the following reasons.

Amended independent claim 1 recites a method that allows a user to redeem loyalty points using a computer system that includes steps of calculating an amount of loyalty points necessary to complete collected transactions, calculating an amount of first loyalty points from a first loyalty program that are available in an account for the user in the computer system, and transferring second loyalty points, from a second loyalty program, to the computer system from another account in a second computer system connected to the computer system by a network.

Amended independent claim 4 recites analogous features. By virtue of these features, loyalty points may be more effectively used in that a user may redeem their points from two different loyalty programs in transactions. This benefits the user in that they have more opportunity to use their points from different programs, and also benefits the seller(s) and loyalty program administrators in that the user more likely to use-up their points.

The Office Action cites <u>Fredregill</u> as disclosing features of the invention. In particular, the Office Action cites paragraph 0041 of <u>Fredregill</u> as disclosing the transfer of additional loyalty points to the computer system from another account not in the computer system.

Applicants respectfully traverse this finding in the Office Action to the extent that it may be applied to the amended claim language. The cited paragraph 0041 merely states with respect to the transferring of loyalty points that "[t]he transfer points function allows the retailer to assist customers in consolidating points between two customer accounts." Similarly, at paragraph 0044, Fredregill states that "[t]he canceled/reissued customer card function allows a retailer to close an existing customer account and transfer the points and customer information to a new customer account." Nothing in these discussions of transferring points suggests that the transferred points are from a second loyalty program and second computer system. Instead, it appears that Fredregill is merely disclosing that if the user has two accounts in the system, points may be transferred from one account to one another.

It is further notable that Figure 1 of <u>Fredregill</u> only shows only one program coordinator host system, with one operational database. Along these lines, the disclosure of <u>Fredregill</u> indicates that the award point balance is stored in the "centralized data storage." Paragraph 0005. The idea of a "centralized" data is certainly not suggestive of a second account and second computer system. That is, nothing in the disclosure of <u>Fredregill</u> suggests any sort of integration

with a second award program located in a second computer system, from which a users' points may be transferred.

Moreover, Applicants submit that, absent further evidence, it would not have been obvious to one of ordinary skill in the art in view of Fredregill to integrate two different loyalty programs in two different computer systems. Fredregill appears to disclose a singular system with a specific centralized storage system. See Figure 1. There is simply no reason to assume that one of ordinary skill in the art would look to modify the Fredregill's in a manner that results in the claimed invention.

Applicants also note that the Office Action questions "how an account that is not in a system can be used to transfer points." Office Action, p. 3. To a large extent, Applicants believe that the amended claim language discussed above answers this question. To reiterate, however, in the claimed invention second loyalty points, from a second loyalty program, are transferred to the computer system from another account in a second computer system connected to the computer system by a network. Such features are not disclosed or suggested by Fredregill.

For at least the foregoing reasons, Applicants submit that invention recited in amended independent claims 1 and 4 is not disclosed or suggested by <u>Fredregill</u>.

The dependent claims should also be deemed allowable for defining features of the invention in addition to those recited in their respective independent claims. Favorable individual consideration of the dependent claims is requested.

Applicants submit that the present application is in condition for allowance. Favorable reconsideration, withdrawal of the rejection set forth in the Office Action, and a Notice of Allowability are requested.

Applicants' undersigned attorney may be reached in our Washington, D.C. Office by telephone at (202) 530-1010. All correspondence should continue to be directed to our address listed below.

Respectfully submitted,

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